(d) The steps proposed to be taken to improve the productivity of V.S.P. are as under:—

(i) Introduction of Pulverised Coal Injection and Oxygen Enrichment in Blast Furnace.

(ii) Usage of less Ash Coke in Blast Furnace.

(iii) Increase in Converter life.

(iv) Introduction of automation system in Continuous Casting Department.

(v) Removal of bottlenecks in GCM areas by providing and installing Gega Cutting Machines.

(vi) Introduction of Combined Blowing and Slag Splashing system in Converter.

(vii) Changing and improved design of guides.

Supply of poor quality rails by SAIL

597. SHRI GURUDAS DAS GUPTA:
SHRI GAYA SINGH:

Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that about 32,000 tonnes of rails supplied to Railways by SAIL was found to be cracked;

(b) if so, the details of the annual supply of rails by SAIL to Railways;

(c) whether any enquiry has been conducted to ascertain the reason for the defects in the rails supplied to Railways; and

(d) if so, the details thereof and action being taken if any, thereon?

THE MINISTER OF STEEL AND MINISTER OF MINES (SHRI BIRENDRA PRASAD BAISHYA) (a) About 47,000 pieces of rails were supplied to the Railways at 14 destination points from 1st to 28th January, 1997. Out of these, only 26 pieces of rail were reported to have cracked and that too mostly in one consignment at Kalyan Flash Butt Welding Plant. For the further enquiry/investigation into the cause of this isolated instance of rail breakage, Railways took a decision not to use the entire consignment of rails sent to them from 1st to 28th January, 1997.

(b) SAIL supplied 4.07 lakh tonnes of rails to Railways at different destinations in 1996-97.

(c) and (d) A detailed investigation was conducted along with the Railways. This investigation revealed that the bulk of the rails supplied during the month of January were processed through the existing straightening machine. Out of the small portion that was processed through the new bi-planner, straightening machine, it appears that a few rails were perhaps inadvertently over stressed during trial run of the machine on 18th and 19th January, 1997. This over stressing coupled with multiple handling during loading, unloading and transportation caused the crack to develop and be visible only after the rails reached the destination point and were being processed for use. Operation of the new machine was temporarily suspended and a thorough technological evaluation was conducted along with the Railways to determine safe operating regime for this machine. After obtaining clearance from the Railways, operation of the machine has been resumed. Also action has been initiated jointly with the Railways to release the held-up rails and deploy them for service. This issue was examined in the Ministry in consultation with SAIL and the Railways. A time bound, point-wise, action plan was decided upon for remedying this situation.

Steel Production as a profit earning industry

598. SHRI IQBAL SINGH: Will the Minister of STEEL be pleased to state:

(a) whether steel production sector in the country has been developing as a profit earning industry for the last three years;

(b) whether the production of steel can be increased by meeting the shortage of capital investment in the country;

(c) if so, the details of the capital investment made in this sector during each of the last three years; and

(d) the need for total capital investment estimated on the basis of Government's assessment during the above period?

THE MINISTER OF STEEL AND MINISTER OF MINES (SHRI BIRENDRA PRASAD BAISHYA) (a) As per the Study conducted by the Industrial Development Bank of India, the sales increased by 13.7% in 1993-94 over the previous year, as against 26.4% in 1994-95 and 24.6% in 1995-96. Gross profit before depreciation increased by 11.3 in 1993-94, as against 46% in 1994-95, 15% in 1995-96.

(b) to (d) As per projections made by the Working Group on Iron & Steel for the IXth Five Year Plan, the production of finished carbon steel will reach 38.012 million tonnes by 2001-02 against the projected demand of 38.68 million tonnes. The increase in production is expected from modernisation and expansion of existing integrated steel plants and creation of new capacities in private sector. In the post liberalisation era as on 1.1.1997. All India Financial Institutions have approved 21 steel projects covering a capacity of 12.33 million tonnes and investment of Rs.22,225 crores. The details of captial investment made in the steel sector during the last three years in the public sector undertakings under this Ministry are given in the Statement (*See* below).

The Working Group has also projected total investment of about Rs. 52,498 crores in the steel sector during IXth Five Year Plan with public sector investing around Rs. 20,005 crores.

Statement

Details of Plan Outlay and Budgetary Support to PSUs during 1994-95 (Actuals), 1995-96 (Actuals) and 1996-97 (Revised Estimates)

(Rs. in crores)

Name of the Organisation	Actuals 1994-95		1995-96		Revised Estimates 1996-97	
	Outlay	Bud. Support	Outlay	Bud. Support	Outlay	Bud. Support
1. Steel Authority of India Limited	2703.54	0.00	2725.65	0.00	2610.00	0.10
2. Rashtriya Ispat Nigam Ltd.	300.00	300.00	209.00	209.00	250.00	0.00
3. Sponge Iron India Limited	5.10	4.80	6.03	4.50	6.27	5.00
4. Hindustan Steelworks Construction Ltd.	6.00	6.00	6.00	6.00	2.00	2.00
5. Metallurgical & Engg. Consultants India Ltd.	1.79	0.00	3.96	0.00	7.36	0.00
6. Bharat Refractories	6.30	6.30	6.00	6.00	6.56	6.10

(Rs. in crores)

Name of the Organisation	Actuals 1994-95		Revised Estimates 1995-96		1996-97	
	Outlay	Bud. Support	Outlay	Bud. Support	Outlay	Bud. Support
Ltd.						
7 MSTC Limited	0.00	0.00	0.00	0.00	15.35	0.00
8. Ferro Scrap Nigam Ltd.	2.77	0.00	2.59	0.00	15.62	0.00
9. National Mineral Dev. Corpn.	46.81	0.00	38.31	0.00	138.15	0.00
10. Kudremukh Iron Ore Co. Ltd.	118.98	0.00	98.81	0.00	180.10	0.00
11. Manganese Ore (India Ltd.)	4.69	0.00	8.21	0.00	15.00	0.00
12. Bird Group of Companies	5.95	5.95	0.00	0.00	0.00	0.00
13. The Iron & Steel Mission	0.00	0.00	0.00	0.00	5.00	0.00
Total: Ministry of Steel	3201.93	323.05	3104.56	225.50	3251.41	13.20

Revival of Steel Demand

599. DR. MANMOHAN SINGH: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that the demand for steel recently has shown signs of sluggishness;

(b) if so, what are the reasons therefor; and

(c) what measures are being taken by Government to revive steel demand?

THE MINISTER OF STEEL AND MINISTER OF MINES (SHRI BIRENDRA PRASAD BAISHYA) (a) Yes, Sir.

(b) and (c) The demand for steel, being derived demand, is dependent upon the growth of the economy in general and growth of industrial production and infrastructure sector in particular. In order to stimulate the demand for steel it is essential to stimulate growth of these sectors and to tap market segments not yet fully exploited.

The overall economic growth and emphasis on infrastructure development during 1997-98 may step up steel consumption in the country.

To promote consumption of steel in the construction industry and to tap the vast rural markets, an institute named "Institute for Steel Development and Growth" has been incorporated as a scoiety on 26.8.1996 at Calcutta under the presidentship of Chairman, Steel Authority of India Ltd. (SAIL). The Institute has the objective of promoting steel usage in the country by providing better value to the consumers through continual research and design, brining awareness and by providing effective and efficient alternatives to the existing practices.